



# Memorandum

**TO:** HONORABLE MAYOR AND  
CITY COUNCIL

**FROM:** James R. Helmer

**SUBJECT: ARTERIAL STREET SEALING  
PROGRAM - 2004**

**DATE:** 06-01-04

---

Approved

Date

---

**COUNCIL DISTRICT:** Citywide

## **RECOMMENDATION**

Report on bids and award of contract for the Slurry Seal 2004 Project to the low bidder, Bond Blacktop, Inc. in the amount of \$1,147,231.00 and approval of a ten percent (10%) contingency amount of \$114,723.00.

CEQA: Exempt, PP04-02-039

## **BACKGROUND**

The Department of Transportation (DOT) annually schedules major and minor arterial streets to be sealed as part of the City's Street Maintenance program. This contract will apply slurry seal on approximately fifty (50) miles of arterial streets.

In June 2003, the City Council received advance information regarding the Slurry Seal 2004 project, including a list of streets being proposed for slurry seal. The council offices forwarded comments and questions to DOT staff during the months of July and August 2003 that were used to help establish a final list of streets to be sealed based on the following criteria:

1. Streets due or past due for maintenance based on optimal eight-year maintenance cycle
2. Streets in acceptable or better condition (suitable condition for slurry seal)
3. Streets with a history of maintenance requests
4. Streets not affected by current or future street related projects
5. Continuity of street segments (create multiple, continuous segments for sealing since arterial streets are typically longer streets that extend further across the City than residential streets)
6. Appropriate distribution of street maintenance throughout the City

The list of streets to receive slurry seal is provided in Attachment A. The process to remove and replace failed areas of pavement and seal cracks on these streets began in August 2003,

and the final step of applying the slurry seal to these streets will occur this spring/summer. It should be noted that minor changes to the list have occurred in response to new information about other street related projects and also due to the 2003-04 General Fund Rebalancing Plan. The actual amount of streets that will be treated is based upon the precise quantity of work required on each street and the contract award amount that is available, and therefore, some adjustments to the quantity of streets might be made. This year's specifications for the slurry seal project are consistent with last year's specifications.

### **ANALYSIS**

Bids were opened on May 18, 2004 with the following results:

<b>Contractor</b>	<b>City</b>	<b>Bid Amount</b>	<b>Variance Amount</b>	<b>Percent Over/ Under Engineer's Estimate</b>
Valley Slurry Seal, Inc.	West Sacramento	\$1,253,346.00	\$56,489.60	4.7% over
Graham Contractors, Inc.	San Jose	\$1,215,125.00	\$18,268.60	1.5% over
<b>Project Engineer's Estimate</b>		<b>\$1,196,856.40</b>		
Bond Blacktop, Inc.	Union City	1,147,231.00	-\$49,625.40	4.1% under

The lowest responsive bid submitted by Bond Blacktop, Inc. is 4.1 percent under the Engineer's Estimate. The Engineer's Estimate for this project is \$1,196,856.40. The estimate is based on past projects and current estimated construction prices.

A 10 percent contingency amount is recommended due to the varying geometric layouts of arterial streets, which make it difficult to determine the actual quantities of surface area to seal and to stripe. The quantities (such as square yards of slurry seal, linear foot of striping, and square foot of markings) used for bidding purposes are estimated within plus or minus 10 percent.

### **PUBLIC OUTREACH**

Notification to contractors was published through the City Clerk's Office. Plans and Specifications were made available for viewing in the City Clerk's Office, as well as distributed to various contractor organizations and builder's exchanges.

### **COORDINATION**

This project has been coordinated with the Risk Management Office, the Department of Public Works, the City Manager's Budget Office and the City Attorney's Office.

**COST IMPLICATIONS**

1. AMOUNT OF RECOMMENDATION: \$1,147,231.00
2. COST OF PROJECT:

Project Delivery	\$ 73,800.00
Construction/Sealing	1,147,231.00
Contingency	114,723.00
TOTAL	<u>\$1,335,754.00</u>
3. SOURCE OF FUNDING: 465 – Construction Excise Tax Fund
4. FISCAL IMPACT: This project is consistent with the Council-approved Budget Strategy Economic Recovery sections in that it will spur construction spending in our local economy. The project is also consistent with the Council-approved Budget Strategy General Principles section in that it protects vital core City services. This project will have no impact on the General Fund operating budget.

**BUDGET REFERENCE**

Fund #	Appn. #	Appn. Name	Total Appn.	Amt. for Contract	2003-04 Adopted Budget Page	Last Budget Action (Date, Ord.No.)
465	6123	Street Maintenance	\$4,518,000.00	\$1,147,231.00	p. 834	10/14/2003, Ord. No. 26997

**NONDISCRIMINATION**

The City of San Jose nondiscrimination/nonpreferential requirements are included in this project as required by Chapter 4.08 of the San Jose Municipal Code.

**CEQA**

Exempt, PP04-02-039

JAMES R. HELMER  
Director of Transportation